

## City of Newton, Massachusetts Office of the Mayor

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## Transmitted by oral testimony and in writing

August 16, 2006

Public Hearing
Docket CTV 06-1
Cable Television Division
One South Station
Boston, Massachusetts



The City of Newton is home to over 20,000 cable subscribers. The changes to the cable television licensing process, as proposed by Verizon, do not serve to offer a more competitive marketplace for these subscribers. Rather, the changes would merely create a more favorable condition for Verizon's entry. If the proposed amendments were to be adopted, Verizon's advancement would occur at the detriment of Newton residents, particularly its growing aging population, as well as to the disadvantage of the incumbent cable companies.

In specific regard to legal, regulatory and procedural concerns, the City of Newton has formally filed comments through the firm of Epstein & August, LLP on July 14, 2006. The purpose of today's testimony is to offer a more in-depth account of our experience in dealing with Verizon and our concerns with its application for a cable license.

There are currently two cable licensees operating in Newton, Comcast and RCN. The City is excited at the prospect of Verizon's entry to the cable market in the hope that increased competition will mean better service and better pricing. However, the City is keenly aware of its need to maintain impartiality in its relationship to these companies and has sought, in its initial licensing with RCN and license renewal with Comcast, to provide for a level playing field. We should and do treat all cable companies equally and adhere to a common standard of expectation, whether in local access support, in customer service requirements or provisions for senior citizens.

At Verizon's request and in compliance with statutory requirements, the City of Newton initiated the cable licensing process with Verizon in February 2005. Verizon filed its application, a 3-inch binder filled with information, in April of that year. The City released its Issuing Authority Report in July 2005, a vital step that allows a community to ascertain its public access programming and other technology needs and one that would

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The City has successfully, and with mutual satisfaction, negotiated an initial cable license with RCN and completed renewal of Comcast license. Those negotiations required good faith, diligence, and shared understanding that proper negotiations require a sufficient amount of time to accomplish the task and one that clearly exceeds 90 days to complete. A good ten-year relationship, as is the case with RCN and Comcast, requires more than 90 days of deliberation. Furthermore, the Cable Division, like other government entities, is fully aware of the stringent standards of the public process, whether they pertain to public notification, public hearing(s), or contracting. To point, there is a reason today's public hearing is occurring five months from the submission of the Verizon proposal; so that the Cable Division has sufficient time to review the proposal, determine the appropriate course of action, and to facilitate the public process.

To conclude, I would like to comment on Newton's aging population and what that

cable television is an essential service. Our seniors rely on cable television for

implies. I hear from our elderly population that for them, many of whom are homebound,

information that is often vital for their health and well being, along with the quality of life. We have successfully negotiated with Comcast and RCN for a modest discount to the cost of basic service for Newton's seniors; while at the same time ensuring our community receives the best customer service provisions possible. Addressing specific

dragging out the licensing process. If Verizon was truly interested in obtaining a license

with the City of Newton, it could have done so many months ago.

be eliminated if new rules were adopted. Seven months after the process was initiated, Verizon submitted an amended application in September 2005. Since that time, the City

of Newton has met with Verizon's negotiation team, outside consulting firms of Telecommunications Insight Group and Wiley Rein & Fielding LLP. The City has proactively initiated meetings and phone calls to discuss the terms and provisions of the license. However, the City feels frustrated by Verizon representatives' lack of willingness or ability to present concrete information. The Verizon negotiation team does not appear to have the mandate to actually make decisions; thus meetings would lead to "take back" items, followed by more meetings and more "take back" items, followed by long periods of no communications from Verizon. We are left with the impression that Verizon has intentionally sought to undermine what is a working procedure for the purpose of

local needs such as a senior discount and enhanced customer service protections is an absolutely critical part of the licensing process, and one that would be totally undermined by amending the rules and regulations as proposed by Verizon.

I appreciate DTE's effort to review the requirements for entry into the cable television business in the Commonwealth. I am convinced that the proposal offered by Verizon

I appreciate DTE's effort to review the requirements for entry into the cable television business in the Commonwealth. I am convinced that the proposal offered by Verizon solely serves to give it an unfair advantage rather that competing fairly with other companies offering similar services. The Division's current regulations have enabled

competition to come to the City of Newton. I see no reason to change those regulations to benefit one company.

Thank you for the opportunity to offer input to the Cable Division's proceeding on CTV 06-1.

Very truly yours,

David B. Cohen

Mayor